



INSPECTOR GENERAL REPORT

2005-07-0353

December 12, 2005

FIRST STEPS FRAUD

Inspector General David O. Thomas reports to Governor Mitchell E. Daniels, Jr., after an investigation by Special Agent Bud Allcron, as follows:

This case involves the First Steps program of the Family and Social Services Administration ("FSSA"). The goal of the program is for service providers to contract with FSSA to provide counseling to children in their homes. Tracy Looper contracted with FSSA to provide speech therapy services to these children during the years 2001 through 2004.

Chief Auditor Debra Currey on July 13, 2005, reported to the Office of Inspector General ("OIG") that an audit revealed evidence that Tracy Looper, as the sole proprietor of Creative Therapy Inc., was submitting false claims for payment to FSSA. This information was developed by FSSA Auditor Mike Hatheway. An OIG investigation commenced.

Multiple parents of the children who were to receive services were interviewed. The audit findings from FSSA were also reviewed. Multiple documents were also collected and reviewed for accuracy.

The investigation revealed that Tracy Looper was billing the State of Indiana for providing services she was not performing. Specifically, statements and evidence from parents in ten (10) different cases were received. These parents reported that Tracy Looper was not providing the services for which she was billing. The dates and times of these billings by Tracy Looper to FSSA were reviewed with these parents, and the ten (10) different sets of parents responded by stating that many of these alleged counseling sessions had not occurred.

The investigation also developed supporting physical evidence. First Steps service providers are required by FSSA to maintain documentation of their services for audit purposes. These “Face to Face” sheets are designed to detect fraud. A parent is required to sign the form when a counseling session is provided. Here, Tracy Looper failed to maintain many of these, consistent with the parents’ complaints.

Other physical evidence showed through billing documents that some of the dates and times of the alleged counseling sessions overlapped, indicating that Tracy Looper claimed to be in two different places at the same time. The geographic distances between these locations were examined and it was determined that it was impossible for Tracy Looper to have provided these simultaneous counseling sessions.

It was also determined that two billing statements from two different cases revealed a forgery. The hand-written billing information on the separate cases is identical and appears to have been duplicated by a copy machine, with the only change being the heading of each document which identifies the separate cases.

An interview was also conducted with Tracy Looper where she was given the opportunity to explain these findings. She denied the allegations. When confronted about the forgery and lack of verification in the “Face to Face” sheets, she responded that many of the forms she was required to maintain had been stolen.

It was determined from examining all billing statements that Tracy Looper was paid by FSSA as follows:

Year 2001:	\$43,831.82
Year 2002:	\$04,321.80
Year 2002:	\$75,164.06
Year 2003:	\$32,320.53
<u>Year 2004:</u>	<u>\$51,690.66</u>
TOTAL:	\$207,328.87

Of these amounts that were paid to Looper, it was determined that the following claims should be disallowed:

\$34,780.89	No Face to Face documentation
\$00,445.00	Overlapping client times
<u>\$00,154.80</u>	<u>No parental signature on Face to Face sheets</u>
\$35,380.69	TOTAL

The results of this investigation were compiled and submitted to the Marion County Prosecuting Attorney's Office. Criminal felony charges of official misconduct, forgery and theft were promptly filed.

Respectfully submitted this 12th day of December, 2005.

A handwritten signature in cursive script, reading "David O. Thomas".

David O. Thomas, Inspector General